

Second Workshop on Transport Economics Competition and Regulation in Railways

Madrid – March 12, 2012

Round Table: New Perspectives For Spain

Main Conclusions from the
Recent French Debate on the French Rail Sector
within
the EU rail liberalization process

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The debate

- From September to December
- All rail stakeholders
- 4 commissions (10 members each)
 - The rail industry at the core of Europe
 - i.e., opening of competition
 - The governance of the rail system
 - i.e., separation between infrastructure and operation
 - The rail economics
 - i.e., financing of the rail system
 - The French rail industry
 - i.e., upstream and downstream relationships
 - i.e., the French champion
 - i.e., the rail Airbus

The state of the French system

- A dying model
 - No more rent from the HST
 - Regular decrease of the rail freight market share
 - Saturation of the regional rail transport systems (Paris)
- A double financial deadlock
 - Annual deficit = 1.5 Billion euros
 - Public subsidy = 13 billion euros
 - Turnover = 20 billion euros
 - Debt = 32 billion euros
 - 61 billion euros by 2025 (including present TGV projects)

The state of the French system

- A dying model
- A double financial deadlock
- Why?
 - Error on governance
 - Cost of desintegration
 - No gains from competition because no competition
 - Underinvestment on the core of the network
 - Underproductivity of labor and capital

Recommendations

- Opening the regional service to competition
 - Competition for the market
- Unification of the infrastructure manager
- Investment policy
 - To postpone most HST projects
 - To focus on the renewal of the core of the network
- Rationalisation of the rail supply
 - No more HST on the secondary network
 - Intermodal cooperation
- Pricing closer to real costs
- Further fiscal effort
- Carbon tax